

**Chief of Naval Operations
Adm. Jonathan Greenert**

MCPON Mike Stevens

**Joint Expeditionary Base Little Creek
Fort Story All Hands Call**

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Admiral Greenert: Giving these awards reminds me of kind of the vast amount of duties and jobs and missions and you guys are out and about and it's been that way for well over a decade, a decade and a half here. So it's great for the MCPON and I to be here in Little Creek, to see the very disparate commands. I love the green uniforms. They all just kind of fit in very well. You've got the comfy jackets, shells I guess, [inaudible]. We can talk about that some other time.

Just a couple of words from me and I'll ask the MCPON if he wants any. But what we get out of this more than anything is listening and learning. I know we're streaming out there, so I'll say hi to all of you out there in web-land that are listening here to what we're going to talk about today.

For the families, I see some families here. I see civilians. Remember, you guys are our shipmates. Families, you're the wind underneath the wings of those of us that get the opportunity to serve and I thank you very much for what you do. Those folks up here that have reenlisted, it doesn't happen without your support. So thank you all very much.

For you civilians, I saw some of you out there in the back of the auditorium, the theater here. Thank you for what you're doing out there. You are truly our partners in all this. It's been a tough year. We had a continuing resolution, then we had sequestration and the shutdown, we furloughed, it was awful. And then of course we froze, and we're still cold. But all of that taken out, it's very regrettable but I want to thank you for what you're doing. You're a major major part of the team.

So now as we look ahead, what do we have out there in the future? Well there's this commercial that's kind of popular out there about Direct TV. If this, if this, if this, if this. It's kind of humorous. We have a stable budget now. We have a budget. And we're going to have a budget next year. [Inaudible] a number. And when you get that, and you have a stable budget, then you can plan ahead. You don't have to furlough and you don't have to do hiring freezes and you know where ships can do maintenance. And then you can plan the maintenance. And when you can plan the maintenance, the companies can plan the maintenance, and therefore you don't pay a premium for that, and you'll get more work done in the shipyard. And when you have a budget you can plan on training and not just the next deployer, so you can get ready for that and get that going. When you have a budget that is very very close to what you asked for, then you can continue your civilian hiring and get some of the backlog on your bases done. So we have a lot

to look forward for in '14. It's all relative, I'll give you that, compared to where we were in the last 18 months, but it's looking much further out.

For those of you that do amphibious operations and expeditionary operations, the Spearhead just left. We got the Choctaw here getting ready to go. At some time in the future we'll have another Joint High Speed Vessel shortly.

We have a Mobile Landing Platform. Some of you may not know what that is. I didn't bring pictures today. But it is a huge sea-based support ship that provides lots of volume, of ship-to-shore equipment and material, and she's going to do her shakedown this year. She'll be on deployment about one year from now. We have a second one of these large ships, they're almost as big as a big deck amphib. And we have another one that we'll commission here next Saturday.

We have an Afloat Forward Stationing Base which is almost as big, and the Afloat Forward Stationing Base I'm talking about has an enormous flight deck, almost as big as a big deck amphib but it's not a big deck amphib. It's a sea-based support ship. That's 50 percent done. So that's coming on.

We'll commission this year, sorry, we'll deliver here coming up in the near future the DDG-1000 and that is the Zumwalt. Very very high tech, forward reaching, one of our destroyers. We'll get also an SSN this year. So we're going to have a lot of ships delivering this year.

Our shipbuilding account in FY14 with the build that we got fulfills all that we asked for. We were looking a little ragged there before Congress took action, so our shipbuilding gets kind of back on track for those things that we needed.

When it comes to personnel accounts, pay, all that, we did fine this year, FY14. Tuition assistance will remain like it was in '13. That is full funded as we go into that.

We want to look at your sea pay and we are studying that to see what is the proper amount of sea pay. The Chief of Naval Personnel put out information on that, [inaudible] sites. We want to basically increase the sea pay to keep up with inflation over the vast number of years, almost a decade, more than a decade of time that it has sort of atrophied and we want to catch that back up. So we're working on that.

So there's a lot going on out there. We still have this challenge that sits on the front burner that we have got to continue to work on called sexual assault. We are making progress in there, but we are nowhere near being done. I'd ask you to keep the focus on that, remember what we need to do. You deserve a good command climate, one of dignity and respect. Those of you that are leaders, that are part of that team, I expect you to maintain a climate of dignity and respect, continue to push on that and make sure we are doing the right thing by our sailors.

Do you want to say anything on that?

MCPON Stevens: It's great to be at the Joint Expeditionary Base Little Creek - Fort Story. Congratulations once again to our reenlistees and our reenlistees' families. Thank you for raising your hand and sticking around for a little bit longer. And to our awardees, congratulations to you. Your awards are pretty darn impressive and I appreciate it.

We look forward to your questions today. This is how we keep our finger on the pulse, is being out here having conversations with the fleet. I know if I [inaudible] CNO and I can quickly [inaudible] understand all the challenges, the issues, and just as importantly the best practices that all of you use every day to lead your [inaudible].

So we look forward to the All Hands Call and we're ready to get started.

Admiral Greenert: Who's up?

Voice: [Inaudible] expeditionary combat command. [Inaudible] wonder, [inaudible] the next couple of years? Since our footprint and everything is getting smaller, [inaudible], do you see us shifting toward [inaudible] more, or are we just [inaudible]? [Inaudible].

Admiral Greenert: You have a lot of missions. [Inaudible] comes in from all the geographic [inaudible]. And SOUTHCOM would like to see a lot more of you down there along that coastal riverine, especially to work with the local natives down there, maintain river security in and around South America. AFRICOM has a big request in as well. CENTCOM continues to have.

So as we consolidate and make you the combat riverine force, that will continue apace. As we continue to adjust the size [inaudible], it will get a little bit smaller. But the skill sets that [NECC] has today, we need to maintain. [Inaudible] get rid of a couple of small [inaudible], but any adjustment we make has to be able to be reconstituted without being styled back up, in a relatively short order.

We need to build, continue to replace some of the boats that we have, make them good [inaudible]. So we'll continue with that.

So it will be adjusted. It will be a little bit smaller. But that's just a fact of the budget. It's not like there's no mission.

Voice: I have a two-part question. In lieu of the two incidents involving military aircraft in the area, has that has an adverse effect on our military pilots? And what preventive measures have been implemented to eliminate or lessen another tragic incident like happened here?

Admiral Greenert: The helicopter and the jet incident? Those are the two you're referring to?

Voice: Yes, sir.

Admiral Greenert: We're doing an investigation to find precisely what happened. But it would appear to be that one was material, probably the helicopter. It appears that way. Whereas the jet, there was another wingman, if you will, in visual doing a one-v-one. They were doing some

training. It didn't appear that there was a failure, a material failure. So we're looking at two different things. One might be a material failure, the helicopter, doing some basic training off the coast. One was two strike fighters doing a training, an event that they both knew about. So I've got a left-hand, right-hand kind of indicating. We think they're sort of different, but we've done a safety stand-down to say okay, everybody, just to make sure you get the very basics, that safety is first. That's one. Then we're moving as quickly as feasible to take care of understanding the cause. [Inaudible] in this community that we lost a life, that's awful, and we owe it to them to make sure that we look very closely into this, what caused it

Voice: Thank you, sir.

Voice: Sir, I understand the [inaudible], however, why is it after [inaudible] times, [inaudible] training?

Admiral Greenert: So why do we move people once they become experts?

Voice: Yes, sir.

Admiral Greenert: I think we understand, why not keep people aboard a unit longer? Does that sound about right?

Voice: Yes, sir.

Admiral Greenert: Conceptually speaking I'd love to do that, but if you do that you upset a sea/shore rotation because there's a place ashore for somebody to go after a sea tour, that's predominantly what I think we're talking about. Some people may want to extend and take another sea tour. Some can stay in the unit, others we move somewhere else.

What we like to do is give you a broad breadth, vast spectrum of experiences. If you stay a long time on one given unit, that may or may not be good for the unit. If you're a great sailor, the skipper will never let go of you. Somebody needs to come in behind you, you need to train, they need to grow, you need to move on to another area.

You say why not longer? Well, we're looking at longer sea tours but that gets arduous depending on what unit you're in. So some people would love it, some people wouldn't.

That gets a little bit back to when I opened up to say how do we compensate people for sea duty? Is it about right? What is the right balance? So we're looking at that.

MCPON Stevens: Most of our communities, because we're a sea-centric organization, most of our billets are sea billets. You take a surface [inaudible] for example, there's simply not an opportunity if you don't rotate people out of there to give folks an opportunity to go to shore and get a little [inaudible]. We've answered that question before. When I go, [inaudible] opportunity. If we don't rotate folks through, we don't provide everybody an opportunity

Admiral Greenert: I've got to tell you, it's rare that I get somebody who wants to stay at sea longer. I know [inaudible]

Voice: My question is in relation to retention efforts and the process [inaudible]. With new ships coming out, those who were [inaudible] to convert or get out, what are their chances of coming back at their previous rates, [inaudible] newer ships?

Admiral Greenert: I can speak to you more in theory than the actual. There is no exact program to go back. But if people moved to another rating as a result of a [PTF], the one they left was overmanned. That's why they did it. They wanted to reenlist. We said look, we're overmanned in the rating you are, especially in that rank. So folks went to another rating where they were really needed.

To come back, if that is now kind of lesser manned or there's a need for it, theoretically we could do that. Theoretically we ought to be looking at that when you would come up to reenlist in the other rating.

But to cross-rate again, I don't know that there's a process to do that right now.

MCPON Stevens: As the CNO just said, if a sailor was separated through [PTF] because their rate was overmanned, if you remember before they separated they were afforded opportunities to cross-train in other fields, right? If they qualified. So in order to be separated through [PTF], what that really means is that the person, for whatever reason, was not able to convert into one of those open rates. So if they got out of the Navy and they wanted to come back in, there's a high probability that they may ask to come back in into one of those rates that they didn't qualify for when they separated unless they're out of that [inaudible], they had a medical condition they were able to resolve. So this would really be a case by case basis. Because when you come back in, you come back in as a former sailor and there's a whole nother process for coming into the Navy under that process.

I haven't heard of anybody who came back in after being [PTF'd], or had gone through the [inaudible] process. But it's probably a good question to ask Captain [inaudible].

Admiral Greenert: Somebody's writing down your question. Not your name, just your question. And we go back and we look through these to see if there's [inaudible]. So we've got that.

I misheard your question. I thought you were saying somebody who reenlisted into another rating come back to a rating, not separated and [inaudible].

Voice: My question was more geared toward those who changed rates who are still in the Navy.

Admiral Greenert: So to come back into the rating.

Voice: Yes.

Admiral Greenert: I think, again, it would be a request [inaudible] rate again, and it would be what is the situation in the rating you left. You're saying [inaudible] and I'm saying okay, we have to take a look at that.

Voice: I was curious, will the current standard of the retirement program be around, remain in place for the next ten years?

Admiral Greenert: The retirement program as you know it?

Voice: Yes.

Admiral Greenert: Absolutely. In fact there are kids in Great Lakes today, there are kids in flight school, frankly, who will join, who will then go to Great Lakes and then to the Navy. Any new retirement program will be grandfathered to the ones -- If you have a uniform on, that's your retirement program. That's the deal, if you will. Where we and the Chief said look, if we're going to change the retirement program where we stand is those that are in came in with a covenant, and that may be the reason you joined. I don't know if you all know it, but about 17 out of 100 ever stay for 20 years. So out of 100 there's only 17 here that it would apply to. That's not my point. My point is that it should be available to you. So the answer to your question is yes.

MCPON Stevens: I think you probably have about ten years remaining?

Voice: [Inaudible].

Voice: My question is how will we increase our presence [inaudible]? [Inaudible] supplementing [inaudible]. I was wondering how that's going to affect [inaudible]?

Admiral Greenert: Did you say Arctic?

Voice: Yes, sir.

Admiral Greenert: I don't know yet. I don't think it will be that big. Here's where I'm coming from. I asked the oceanographer of the Navy, so that we could understand where the heck we're going on Arctic operations.

Number one, show me the scientific evidence, studies that are done, and how [inaudible] getting smaller. So that was one, and he did that. I don't have the slides. But if you go to the web site, our web site and you fish around there you should find the Arctic slide. We have it posted.

Here's the deal, because we have to get smaller. What are the transit lanes in the Arctic that we want to watch? There are three general ones. One runs through what is called the Northwest Passage in northern Canada; one's called the Northern Route, and that goes up near Siberia, all the way around; then there's one that is north of Canada, on the Russian side.

So there are three basic routes, but the number of weeks a year that they are truly ice-free in 2025 is not that extraordinary. It's not like half the year.

Number two, as you look at it, how deep is the water in those areas? It's actually not all that deep in certain parts. 50, 60 feet maybe. How much deep draft -- you go down to Norfolk and you look at those big container ships, their draft is 50 feet in some cases. So if it's not going to be a deep enough draft for those folks to go up and use that route, they're not going to use it.

So there are a lot of factors here that need to be worked out.

What kind of security is needed up there? What kind of security threat do we have? Is it as simple as the South Atlantic where there's no threat and ships go back and forth? Or is it as complicated as say where we have pirates, although I'm not saying pirates would be up there, but you get my point. We would need security.

We're still working through that. Right now I'm not overwhelmed with a requirement. But I will leave you with a point you made. We have to support the Coast Guard if something goes bad up there, so we have to be sort of a supporting element. We have to be able to go up there. But I don't have a lot of patrols kind of laid out in the years ahead, 2025, but we are watching what does it take to operate there. What kind of systems, communications, what kind of clothing do you need? All those things we're working.

Voice: Sir, my question is, are there any [inaudible]?

MCPON Stevens: Do you have any ideas?

Voice: No, sir.

MCPON Stevens: There really are a couple of ways of doing it. You can take the height/weight. There's a skin fold caliper. And there's kind of a tank that you can weigh people in. Whatever we decide to do, we have to be able to do it everywhere -- at sea, ashore, overseas. Right? So that kind of puts the tank out of the process. Too expensive, too clumsy, not enough of them.

I've looked at the skin fold caliper on-line. I was curious about it so I went to YouTube. I would encourage you, if anybody's thought about using a skin fold caliper to go to YouTube and look at it and see how it's done. It's a pretty complex, complicated process. I would think we would get a lot more complaints on that than we will on the tape. So right now, unless someone comes up with something better, for the foreseeable future the height/weight is probably the best thing that we have. It's not perfect, but it's the best thing that we have that keeps us kind of in the middle. The other two options right now, unless there's something else I don't know about, kind of seem a little bit more difficult and challenging.

Voice: Thank you.

Voice: Sir, I had a question on [inaudible] battalions being [deconned] for SEABEES and the crew [inaudible] [cross-train], did not [inaudible].

Admiral Greenert: I can't speak to -- You're talking within the SEABEE community, the [cross-trained] force?

Voice: Yes.

Admiral Greenert: To balance out the rates --

MCPON Stevens: The deal is, the cost to maintain the number of battalions, active and reserve, and the demand in the future against an insatiable appetite, we thought was balanced. We adjusted the number of active and reserve. The bottom line is we put more battalions in the reserve [inaudible].

I think we're about stable where we are now, so if you're saying are we going to go visit this in the future, I don't see it right now. The thing that you said, the cross-training, that kind of stuff, to help balance it out.

There are some issues that need to be taken care of in the reserve battalions. What are we doing with these folks, these skill sets that we have. They can still provide something for the Navy but where the Chief of Naval Reserve is having problems is [inaudible].

Voice: My question is more along the lines of training and readiness and records management. Right now we have about seven different systems that track records from [inaudible], DJRS, it's like seven different systems. It's very [inaudible] so that [inaudible] go through seven different systems to try to find one piece of paper.

MCPON Stevens: So what I gather from your comments that you're telling me you're pretty satisfied with where we're at, right? [Laughter].

It's kind of challenging, isn't it? One could even say it's a mess. The CNO not too long ago charged one of our senior flight officers with taking a look at this very problem which you mentioned and some other things and we call it, it's the RAD number -- Reduction of Administrative Distractions. I've had a chance to look at this list of things that they put on there that make our lives more difficult than they need to be.

The Navy's very good about we've been very good about adding to but we're not always good about taking away, right? At some point you've got to say okay, where are we? That's what they're doing right now.

They put the list together and I'll share with you what you've just said is one of the priorities on that list to look at how do we get all these systems into a one, two, or three area program.

But we've got to be careful not to put them all in one area because then you have a single point of failure. Right? So if the system shuts down everything shuts down. So there's a need to have

more than one, but we don't know how many right now. So they're working on it. At some point they're going to come back to the CNO and say here's what we recommend and we'll take it from there.

Admiral Greenert: [Inaudible] is the heart of it [inaudible]. It's a two-fold thing here. They can bring together a common system for your records, your career, [inaudible] in one place. It's going to take a few years. It's going to take a few years. But if you're asking is somebody looking at it, yes we are, for sure.

Voice: My question is with the creation of the cyber protection team and the increase in [inaudible], how much more do you see the cyber field being integrated with the rest of the Navy?

Admiral Greenert: How much more do I see?

Voice: Cyber. The field.

Admiral Greenert: Big time. Throughout sequestration, all these things I opened up with gee whiz, [inaudible]. It slowed down all that. That was an area that we didn't slow down at all. The monies that we had we made sure we invested in that so that the cyber teams that we spoke to continue to grow. The initial operational capability, we're looking at [finding operators]. These, cyber warfare is going on right now. I know you live it. So we cannot stop. We forge ahead.

Voice: Thank you.

Voice: We've been hearing a lot of speculation about VAH and I was just wondering, should we be expecting any changes at all to that?

Admiral Greenert: It's hard to say. Let me tell you what I mean by that. What has to happen, there's going to be a change. It will be in the President's budget which we will submit, I think the first week in March is when that's scheduled to go up to the Hill. We are looking at compensation, at the broad factors. The feeling is today that we spend about 50 cents out of every dollar, a little more than 50 cents out of every dollar on compensation. And more importantly, the rate of growth has been somewhat extraordinary. And as we look at it we say we don't think we can continue this, especially in view of the other budgetary reductions and the other costs. So what do we do about this?

The sense is well, if we slow the growth, and I didn't say reduce, because we're not taking it down, we're slowing the growth of these [inaudible].

So if you look at VAH, Vah has gone up between four and five percent every year and that's based on rent and the demand. That's what it's aligned to. So the feeling is if we slow the growth in VAH out there. Now if you have, let's say you live here and you have a lease or a mortgage, as long as you are here [tied] to that mortgage to that lease, we're not talking about a click, we change it on you. But when you move and you go to another location the VAH that

you get in that location would be different than if we continued to grow. See what I mean? So the ones that you're on you would stay on. The ones meaning the agreement. Are you with me so far?

Voice: Yes, sir.

Admiral Greenert: So it's about slowing the growth.

How does it look like coming out of your pocket? If you assumed it was going to continue to grow and you assumed you were going to continue to pay the rent or mortgage that you had, when you move to another rotation then yeah, it would be less than that extrapolated difference. But that would be the slowing of the growth. That's kind of the VAH story that's under consideration.

We have to figure out what we want to submit, then Congress has to approve it.

Voice: Thank you, sir.

Voice: My question is what would be the timeline for adding female sailors on board, on the submarines?

Admiral Greenert: You had me there for a minute. [Laughter].

The timeline is in '16. Two submarines, the Texas and the Virginia. And we will have female enlisted on those crews. So we've got to prepare those that want to volunteer and go through boot camp and get that. Those are the two [inaudible].

MCPON Stevens: I was at the gas station filling up getting ready to go back to DC this afternoon and I think there's someone in the audience, they didn't know I was listening to them, when they were pumping gas. They said that they had to go to this all hands call. [Laughter]. It was two young female officers talking, and one of them said hey, there's going to be openings for females on the attack submarines.

Are you in the audience? Come on down. I just wanted the CNO to see you.

Admiral Greenert: That's what you want to do?

Voice: That's what I want to do.

Admiral Greenert: Have you got good grades? [Inaudible]. Hey, I [inaudible]. I'll give you a second chance. Congratulations. I hope you get what you want. What are you doing now?

Voice: [Inaudible].

MCPON Stevens: The moral of the story, master chiefs are everywhere. [Laughter].

Admiral Greenert: Did that answer your question?

Voice: My question today stems from something that was asked earlier about the Navy training people for a specific job and then forcing them to change jobs, change [commands].

Specifically in my experience in the aviation community I've seen a lot of my friends and colleagues who become very adept at doing their job in the cockpit, in the plane, but then one of two things happens to them. Either one, they don't make rank and they're forced out of the Navy; or two, they do progress up the chain, O5, make command, and they lament that they are no longer able to really fly consistently.

My question to you is, do you know if the Navy would ever consider something like a career flyer program, people that don't need to progress rank, who could continue doing the job they're good to do.

Admiral Greenert: I've got to tell you, we looked at that hard because it's expensive, as you well know, to send you to the War College or anybody, right? Then you come back and then you've got to go to [inaudible], training [inaudible]. But we don't have when we looked at the luxury to set aside a group that, you guys just fly, and then somebody else comes in and does the other thing. Those that fly have to lead also in the future, and those leaders, if I don't have somebody who understands combat, cockpit and all that goes with it it's really hard to find them, to be acceptable on an aircraft carrier, a big deck amphib or an air boss. They haven't done it.

I talk to my counterpart frequently, the First Sealord. They have engineers, especially in the nuclear power. I was on a submarine talking to him. They've got their engineers and they've got their operators. Never the twain -- there's like a membrane between them. So these guys look forward, what the heck's going on back there? If there's a casualty it's quite unnerving. Plus they're trying to maintain two entities and they can't cross-[thread]. You know what I mean?

I think if we had, if we were in the older days where we had F-4s, we had A-4s but we had single kind of mission aircraft and a lot of them rather than the multi-mission aircraft we have today, we may have had to go in that direction. Does that make sense to you?

Voice: Yes, sir.

Admiral Greenert: There are some folks that come out of the cockpit and they volunteer to go back in, and they actually sort of get away with it. There are [inaudible]. But that's the deal. It's the rounding of the officer in preparation for when you stand in front of me [inaudible] and raise your right hand, I've got to prepare you for O5 command. I just make that assumption. Everything I do for that. When a seaman comes in, I'm thinking chief. The MCPON and I are thinking that. As [inaudible] said why not keep people at sea longer? That's what we'd like to do. But we do study it, trust me.

The Israelis do it. They do it quite effectively. But they have a different need [inaudible].

Voice: I understand. Thank you.

Admiral Greenert: Thank you for your question.

Voice: I was just wondering if there would be thoughts in the near future of changing the winter PT gear? I've been in for 13 years and that's the only uniform that has never changed.

MCPON Stevens: When you look at history, especially with clothing and cars and things like that, it seems like it always comes full circle, right? So we built these old cars, now you get ready to build new ones, and now you see all these like throw-back cars coming around? That's what we're thinking with the Navy PT uniform. [Laughter]. I think we're only about a year away from it being back in style.

It's a great question and I asked the same thing about four or five years ago in a conference I was at. They brought in this winter PT gear and said hey, this is what we're going to try out, we're going to test it. They took it to RTC, did all these testing. Not too long ago I said hey, where's this winter gear? They came back and said yeah, we did the test wear and it didn't work very well. So okay, where are we at? We're nowhere. It's really something that we've got to start back up if we're going to do it. The stuff we have didn't pass the wear test for the recruits.

Voice: I have a two-part question. Starting February 1 Hampton Roads is putting [holds] on all the tunnels [inaudible] Naval Hospital. That's the only ER besides [inaudible] on this side. I'm wondering if we were going to [inaudible] ER or would there be a possibility of an ER coming to the [inaudible] here?

MCPON Stevens: I don't know. How come you plan on going to the ER? I'll have to give that some thought.

Admiral Greenert: We're going to give this to [inaudible].

There's a program started years ago [inaudible]. Subsidizing [inaudible], helping the communities. I don't know where that is. In Washington, DC, here, similar areas, you take rapid transit you get subsidized because it gets you off the road, gas, energy, yada, yada. I don't know where [tolls] [inaudible] help regulate or enhance [inaudible]. I couldn't tell you. That's probably about the best idea or concept that [inaudible]. There's a gentleman right behind me, [inaudible]. Actually we're going to have to ask locally because it would have to be looked at what's the deal at this station. We'll check that out.

Voice: I was curious, after the attack, the [inaudible] in the DC Navy Yard, I was very surprised that most of the response came from civilian [inaudible]. I was curious, during our [inaudible] we were given very basic [inaudible] training. I was curious if you've looked into increasing our training. We have the equipment, we have the personnel, if we could get the training and start forming up to have our own maybe quick response time if something like that happened on another base.

Admiral Greenert: I understand your question.

What we're doing, at the Navy Yard, and at almost all bases. We have agreements with local law enforcement, right? And frankly, the response by people like Navy people; then we have people who are hired to do security, they have a certain piece of that; then we have people who are actually civilian police, federal police; then we have the DC folks response. So the response was per the agreement. What you saw, who got where and how they organized right there, you just saw what was on the camera when [inaudible]. There was a lot of other response. The whole base had to be ascertained [inaudible]. We knew about Building 197, but what about the rest of it? I think you see what I'm talking about there.

That's all right through, and in some cases depending on the agreement, that local agreement, the [inaudible] who wrote the military [inaudible] does more [than that]. But you're saying we want to increase our capability. We'll ask the question, but if we needed it I think we would kind of do it, if that makes sense. Plus you've got to prove you can do this. We can't train you and say okay, Billy, it looks good. If we ever need you you'll be able to -- it's like going to a driving course. You went to a driving course, didn't you? Those are the two, they always want to try out their driving. I get driven around sometimes, and I don't want to be there when they do that because [inaudible]. You've got to be proficient and that would be part of the issue. Local law enforcement a lot of times they are, that's the thing that they do to perfection.

Voice: [Inaudible] all volunteer force and [inaudible]. And our families, we all know they're very important [inaudible]. What's your plan with commissary programs [inaudible]? It's very very important to our families. While we're gone, [inaudible]. [Inaudible].

Admiral Greenert: We talked about the commissaries and this business, there's an option to shut commissaries. There isn't an option to shut a commissary. The option is to look at the way commissary management -- this is through DCA.

The Navy Exchange, I'll go to them first. They have a certain amount of subsidies the federal government gives them. They get tax-free land. They usually get real estate to build [inaudible]. We kind of give them that. And then they maintain a business and they make profit and that profit goes [inaudible].

Now you go over to the DCA, if you will. They too get subsidized. When we looked at it, the government and the people down in the Department of Defense staff [inaudible], we sure are subsidizing you a lot. And we think you should be much more efficient based on what you do. So we would like you to be more efficient. We're going to take [away] some subsidies. Show us your plan. That has manipulated to some early plans, and I really underline early. It would be well if we get your subsidy reduced, my [inaudible] will reduce. Since not all of our commissaries make money, many lose, frankly. But they're still open and they're subsidized by, for example, you probably do pretty well here, the commissaries around here are probably pretty busy. They're really busy in the Washington area. They make money and that gets rolled over into some of the remote sites that aren't very busy. You with me?

So the earlier course, these remote sites [we're closing]. We said no, that's not the deal. You need to come show us your business plan. So this is the back and forth of this. There's no intent

to close commissaries. Do you follow what I mean? To reduce, to make them more efficient like the Navy Exchange. They can do it, why can't you guys do it?

Now they have some handicaps, if you will, the commissaries. They're required to put certain levels of need, certain brands, products, yada, yada, yada, and they say hey, I've got to stock, if you will, high end stuff. So if you can give me a little leeway. Do we have to have this kind of olives, or can we have this kind of olives? You get my point.

When it comes to NWR [inaudible], I would submit to you that is an exception because in FY13 I rattled off all those things that happened and we were on our knees all the way -- We were shut down. So how do we keep anything open when you're literally shut down and you have sequestration? I don't expect to see that this year. I expect to see NWR restored. We're [inaudible].

Voice: Mu question to you sir, is, our Navy is truly a global force. And as we continue to draw down from [inaudible] Iraq and Afghanistan. My question to you is, I'm hearing about focusing on the Pacific. Can you speak to that? Tell us within the next five to ten years what actions will be focused [inaudible] in the Pacific?

Admiral Greenert: There are four categories of what we call the rebalance in the Pacific. We originally started with the term pivot, but frankly we've been out there quite a bit so we kind of call it a rebalance.

Number one, force. That's airplanes and ships. That's how we speak mostly. So what you'll see is four littoral combat ships being forward stationed down in Singapore. That will happen in the next two and a half years. So that's an increase.

Today there's about 50 of our ships in the Western Pacific. By the end of this decade you'll see closer to 60 ships in the Western Pacific. That increases [forward]. The joint high speed vessels that you have here, you're getting the first one. The others [inaudible] out there. The mobile landing platform that I mentioned before, that will deploy out to that area.

When we send JHSV's and other new kind of ships that are, as I said, they're expeditionary, they're not amphibious assault, they will help free up amphibians like in the Western Pacific to help support the lift, they'll provide the lift to Marines and [inaudible]. That's our part of the [inaudible]. Have you heard of that?

That's, the first squadron of Joint Strike Fighters by the end of this decade, that will be to the Western Pacific.

Have you ever heard of the Triton? The Broad Area Maritime Surveillance -- it's a Global Hawk UAV. Big wings and all that. It flies for many many hours. It takes a lot of pictures and all that. That will deploy, that will be out in '17. That will go to the Western Pacific.

So there's a lot of high end stuff there. That's forces.

Two is capability. We benchmark all our capability from mine warfare to counter-missile to counter-ballistic missile to ASW, to the Western Pacific. It's got to work there [inaudible].

Three, we are shifting homeports -- 60 West/40 East. That's underway. We're about 57 percent now so we've still got to continue that.

Then lastly I'll call it intellectual capacity. That kind of jargon, Washington jargon for we're going to do more [inaudible] exercises. I spend more time visiting my counterparts, discussing where we're going, and have more dialogue. A richer, more significant dialogue. Let me give you an example.

Japan. We have really stepped up where we want to go in Japan. Operations together, ASW together, our P-8s are operating out there now. P-8 is a tricked out 737. Very very nice. Replaces the P-3. So we do that.

We're interfacing with China more than we have been for a long, long while. Our Vice CNO was there in November. My counterpart was here in the United States for a week in September. I am going in April to China. I'm going back in July. We were lucky if we got one every two years. So you can see how that's kind of picking up. To figure out what's going on, where do we want to go, let's get the conversation going. It's difficult, it's grinding, but that's what we've got to do. That's kind of a snapshot.

Just a quick remark, then I'll turn it over to the MCPON.

We talked a little bit about hey, what's this about VAH? What's this about commissaries and all that? Let me say, we are looking at compensation. I spoke to you a little bit. I said look, the growth in our compensation, we've got to do something about it. We've got to arrest the growth. Not go down, not change it, it's about slowing the growth. Any savings we get from that that are approved, my plan is to put that into what I call the quality of your work. That's to go into improving the barracks, improving your training, improving your training budget, making sure that we get more folks ready to cover up gaps at sea, to make sure, put money into spare parts, money into intermediate maintenance. Quality of work. That sort of category. We'll lay it out. And we have got to show, we intend to, if we get such a thing approved so that anything that comes there gets reinvested in your quality of work, what makes your work place better.

Your overall, if you will, existence in the Navy as I look at where we invest, your quality of life, your salary, your VAH, tuition assistance, gyms, and medical benefits, things of that nature. The things that make your life what they are.

Then you go to work. You walk across that pier, you go to that flight line, you go wherever you go, it's the quality of your work there. Do you have a trained supervisor? Do you have a supervisor? Are you trained? Is your unit trained? Are you competent? Is your CO competent? Is your [CMP] competent? Are you competent? How does all that come together?

I think we have a deficit in investment here and we need to work on that and we will. That's what I would [inaudible]. I wanted you to kind of get those categories we're looking at.

MCPON?

MCPON Stevens: Just two things. For many years our [inaudible] I know what you're thinking when it comes to this pay and compensation and slowing growth. What I want to share with you is I get the opportunity to sit on boards like the CNO talked about, the DCA Board, the Defense Commissary Agency. I get to sit in on a lot of these meetings and have a voice on things that affect our families and you and pay and compensation, retirement, those things. I would be suspect if I were you about what I'm about to tell you, but I'm going to tell you anyway. I want you to know that an extraordinary amount of effort, thought, and concern goes into these decisions on how they impact you and your families. Nothing is just done oh, by the way, on a whim. It takes months and years oftentimes before decisions are made so we fully recognize the impact it will have on your and your families. So you always come number one, recognizing that we also have a mission that we need to perform.

So I wanted to share that with you because I'm getting a lot of feedback both face to face and on social media about doubting that leadership really gets it and really cares. I think it's important for you to know that yes, they care, yes, they get it.

The second thing I wanted to share. I was talking to a young [inaudible] out in the lobby and I asked what do you do for a living? He said, kind of head down, he said I work in the barracks. Right? What I want to share with him and all of you is there are three things that I look at when it comes to success. The foundation of success. Three basic things.

One is, to that shipmate that's out there, no matter what your job is, no matter what you're asked to do, work hard every single day, put your best foot forward, because there's no such thing as a job in the Navy that's not important. So do your best every single day.

Number two, stay out of trouble. You're going to leave here. It's a Friday afternoon. You're going to have a good weekend. Be smart about it. Don't do stuff that can compromise all the hard work that you had in many cases your families have done to get you to where you want to be, so stay out of trouble.

Number three, and most important, this ties into sexual assault prevention and suicide prevention and domestic violence and alcohol abuse. Be a good, decent person to yourself, to your family, and to your shipmates. Be a good and decent person and I'm pretty confident that a lot of what ails our Navy will simply just go away.

So work hard, stay out of trouble, be a good decent person.

CNO, thank you so much for inviting me to be here with you today.

Admiral Greenert: My pleasure.

Take care of each other. We'll see you.

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